



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION

ENTERED
08/26/2008

IN RE:
9632 PARTNERS LTD. §
Debtor(s) § CASE NO: 08-60048
§
§ CHAPTER 11

MEMORANDUM OPINION
FINDINGS OF FACT AND CONCLUSIONS OF LAW
REGARDING CONVERSION OF CASE TO CHAPTER 7
AND RELATED ORDERS FOR CASE MANAGEMENT

9632 Partners Ltd. ("Debtor") filed a voluntary bankruptcy petition commencing this case under chapter 11 of the Bankruptcy Code on June 3, 2008. The US Trustee filed a motion to dismiss the case with prejudice or, in the alternative, to convert the case to chapter 7, whichever the Court found to be in the best interest of creditors. At the hearing this date, the Court reviewed the Debtor's failures to comply with the disclosure and reporting requirements applicable to a debtor in a chapter 11 bankruptcy case. Because of Debtor's failure to disclose and to report, the Court cannot determine whether there are assets available to pay creditors' claims and the Court cannot determine whether Debtor, or an insider or affiliate, has misappropriated assets.

The partial schedules that Debtor filed show that there are unsecured creditors. At the hearing this date, Debtor's counsel stated that notwithstanding the Court having granted relief from the stay, foreclosure has not occurred, and Debtor continues to collect rent and to administer property of the estate as a debtor in possession.

The Court simply has inadequate information to conclude that it is in the best interest of the estate and of creditors to dismiss this case without an attempt by a disinterested fiduciary to recover assets for the benefit of the estate. Therefore, the case is converted. At the continued status conference, the trustee must report concerning whether dismissal is in the best interest of the estate.

SIGNED 08/26/2008.

Wesley W. Steen
United States Bankruptcy Judge